

ORDINANCE NO. 2014-05

AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SEDONA, ARIZONA, PROVIDING FOR ADOPTION OF NEW BASE SEWER USER RATES FOR THE CITY OF SEDONA WASTEWATER SYSTEM AS SET FORTH IN THE ATTACHED TABLE A; PROVIDING FOR THE ADOPTION OF A NEW SCHEDULE FOR INCREASES IN WASTEWATER CAPACITY FEES; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS:

The revenue currently generated from those properties connected to the City of Sedona Wastewater System (hereinafter referred to as the "Wastewater System"), based upon the current Base Sewer User Rates, is insufficient to pay for the costs and expenses of operating and maintaining the Wastewater System, and

The City Council has been obligated to subsidize the operation and maintenance of the Wastewater System from the Wastewater Fund and shall be obligated to continue subsidizing the Wastewater System notwithstanding a rate increase, and

In order to develop a Wastewater Billing System that is fair and equitable to the wastewater customers, and is financially self-sufficient, billing unit rate adjustments and a series of incremental increases in the monthly base sewer user rates is deemed necessary. This system of increases is justified by the rate study dated January 17, 2014 prepared by a professional consulting firm, Hoag Consulting, LLC. Supported by this study are changes in the current sewer rate structure, and

On March 12, 2014, the City Council adopted a Notice of Intention to increase wastewater user rates and, pursuant to A.R.S. § 99-511.01, and set a public hearing date on which to consider the proposed increase in wastewater user rates, and

Pursuant to A.R.S. § 99-511.01, a copy of the Notice of Intention was published in the Sedona Red Rock News, a newspaper of general circulation in the City of Sedona, and

On May 27, 2014, a public hearing was held pursuant to A.R.S. § 99-511.01, and

It is the finding of the City Council that in order to impose more fair and equitable sewer rates and increases in total rate-based revenues that are just and reasonable, it is necessary to implement the following changes:

1. For the next six years, to increase the wastewater rate-based revenues by 4 percent annually and immediately reduce the sales tax subsidies from the current 35 percent transfer to 30 percent, followed by a reduction to 25 percent in fiscal year 2017-18.
2. For all customer classifications, to implement one-time adjustments to unit rates and to incorporate a new minimum charge for all commercial accounts.
3. To enact changes in the sewer capacity fee schedule.
4. To enact updated wastewater charges and fees including availability charges and septage disposal fees.
5. To switch to a water flow-based system for assessing wastewater charges for all restaurants and hotels with independent, dedicated (unshared) water service

metering. This change will become mandatory in Fiscal Year 2015-16. Restaurants without independent meters or without a 12-month water usage history will be billed based on the customer serving areas.

NOW THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF SEDONA, ARIZONA, THAT:

Section 1. Adoption of New Monthly Sewer Rates and Rate Table:

Those rates set forth in the Table attached hereto as Exhibit A, are hereby officially adopted. Said rates reflect, 1) An increase in the sewer availability charge to \$27.16 per parcel per month, 2) Adoption of restaurant and hotel "water use billing" for calculating monthly wastewater charges, 3) Adjustment of wastewater rates for customer account billing classifications is hereby adopted as the official Wastewater Rate Table for the City of Sedona. 4) Adoption of a new minimum monthly service charge of \$34.04 for all active commercial accounts 5) A twenty percent increases in septage fees. Said Table shall become a part of the City's Consolidated Fee Schedule.

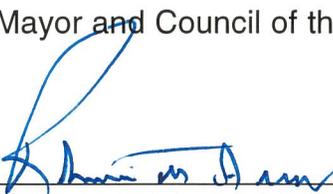
Section 2. Adoption of New Wastewater Capacity Fees and Rate Table.

Those rates set forth in the Table attached hereto as Exhibit B, are hereby officially adopted. Said rates reflect increases in one-time wastewater capacity fees that are charged to developers connecting to the City wastewater system for the first time, or for customers seeking to increase the capacity of their existing sewer connection due to a facility expansion. Said rate Table is hereby adopted as the official Capacity Fee Rate table for the City of Sedona. Said Table shall become a part of the City's Consolidated Fee Schedule.

Section 3: Effective Date

All new and revised rates as set forth in the rate tables attached hereto as Exhibits A and B shall become effective beginning on July 1, 2014, and annual increases as indicated in said tables shall become effective on July 1st of the year indicated.

PASSED AND ADOPTED by the Mayor and Council of the City of Sedona, Arizona this 27th day of May, 2014.



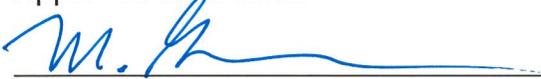
Robert M. Adams, Mayor

ATTEST:



Susan L. Irvine, City Clerk

Approved as to form:



Mike Goimarac, City Attorney

Exhibit A

WASTEWATER FEE SCHEDULE 2014-2018

Category	Billing Classification	Billing unit	FY 14-15	FY 15-16	FY 16-17	FY 17-18
	Annual Rate-Based Revenue Increase:		4%	4%	4%	4%
SRES1	101 Residential	Connection	\$54.33	\$56.50	\$58.76	\$61.11
SRES2	102 Residential (Low Flow, a)	Connection	\$42.25	\$43.94	\$45.70	\$47.52
ADU	18 ADU - Accessory Dwelling Unit	Dwelling Unit	\$27.16	\$28.25	\$29.38	\$30.55
SMFAPT	15 Multi Family/Apartments	Dwelling Unit	\$34.97	\$36.37	\$37.83	\$39.34
SRSUB	Residential Subsidy	Connection	\$28.60	\$29.74	\$30.93	\$32.17
STLC	104 Theaters, Libraries, Churches	Seat	\$0.80	\$0.83	\$0.87	\$0.90
SBDIN	105 Bar without dining facility	Seat	\$5.34	\$5.55	\$5.78	\$6.01
SCWNR	107 Car Wash with Recycle	Bay	\$120.39	\$125.20	\$130.21	\$135.42
SDRTL	108 Department, Retail Stores	Restroom	\$9.09	\$9.45	\$9.83	\$10.22
SHOTEL	110 Hotel, Motel, RV Park	Room	\$29.46	\$30.63	\$31.86	\$33.13
SRCV	111 Resort - Cottages, Villas (master meter)	Unit	\$58.91	\$61.27	\$63.72	\$66.27
SFTNS	112 Fitness Center / Beauty Salon	100 sq. ft.	\$3.75	\$3.90	\$4.05	\$4.21
SCWSH	113 Private Tour Jeep & Rental Car/Jeep Washing	vehicle	\$3.43	\$3.57	\$3.71	\$3.86
SMKT	115 Market	Connection	\$222.91	\$231.83	\$241.10	\$250.74
SMART	116 Mortuaries	Connection	\$352.13	\$366.22	\$380.86	\$396.10
SOFF	117 Offices, Med Bldg, Mfg, Contractors	100 sq. ft.	\$0.80	\$0.83	\$0.87	\$0.90
SRSHP	118 Repair Shops, Service Stations	Connection	\$44.59	\$46.37	\$48.23	\$50.16
SRSTR	120 Restaurant Indoor Seats	Seat	\$11.10	na		
PSS	2 Restaurant Seasonal Patio Seats	Seat	\$5.55	na		
SSCHG	121 Restaurant Indoor Seats	100 sq. ft.	\$27.96	\$29.08	\$30.24	\$31.45
PSS	2 Restaurant Seasonal Patio Seats	100 sq. ft.	\$13.98	\$14.54	\$15.12	\$15.73
SSCHG	121 School, College, w/ gym showers	Student	\$10.41	\$10.83	\$11.26	\$11.71
SSCHC	122 School, College w/ café	Student	\$16.82	\$17.49	\$18.19	\$18.92
SSCHNG	123 School, College w/o gym or café	Student	\$3.77	\$3.92	\$4.08	\$4.24
SPRST	124 Public Restroom	Fixture	\$60.32	\$62.73	\$65.24	\$67.85

SLMATE	125	Laundromat (efficiency)	Machine	\$35.59	\$37.02	\$38.50	\$40.04
SLMT18	126	Laundomat (12-18 lb)	Machine	\$45.85	\$47.69	\$49.59	\$51.58
ALMT27	127	Laundromat (25-35 lb)	Machine	\$58.14	\$60.46	\$62.88	\$65.40
ALMT29	128	Laundromat (50 lb)	Machine	\$0.00	\$0.00	\$0.00	\$0.00
SCOMMA	129	Minimum Commercial Service Charge	Connection	\$34.04	\$35.40	\$36.82	\$38.29

Sewer Availability Charge	Parcel	\$27.16	\$28.25	\$29.38	\$30.55
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Septage Disposal Fees:

Septage Haulers Originating inside city limits	per gallon	\$0.186
Septage Haulers Originating outside city limits	per gallon	\$0.198

Water Usage-based Rates for Restaurant/Hotel Accounts with Dedicated (unshared) Water Service

Fixed Charge per Account	Acct-mo	\$35.40	\$36.82	\$38.29
Variable Charge				
Restaurant Dischargers with Water Meters	Metered Water	\$1.10	\$1.15	\$1.19
Hotels & Resorts with Water Meters	(Kgal)	\$0.73	\$0.76	\$0.79

Hotels & Resorts without Water Meters

See room & restaurant unit rates above

Note: SHOTEL Category 110 fixed rate is for Rooms only. Restaurants on site have separate service charges. Wastewater accounts must have dedicated water accounts for water-based billing eligibility. The water use of Hotels and Resorts includes all metered use on facilities campus including irrigation use. This rate structure is structured with water charges based on prior year water use, for administrative convenience.

*The above rates and fees are taken from the 2013 Wastewater System Rate Study by Hoag Consulting LLC. This study can be referred to for further interpretation and clarification of the above rates and fees.

Exhibit B

WASTEWATER CAPACITY FEE TABLE 2014

Category	Billing Classifications	Capacity Units	ERU /Capacity Unit	2014 Capacity Fee
SRES	100 Residential	Connection	1.000	\$9,455.57
SMFAPT	15 Multi Family/Apartments	Dwelling Unit	0.773	\$7,305.99
ADU	ADU - Accessory Dwelling Unit		0.500	\$4,727.79
SRSTRT	120 Restaurant	Seat	0.123	\$1,161.69
PSS	2 Restaurant w/Patio Seats (seasonal)	Seat	0.061	\$580.84
SHOTEL	110 Hotel, Motel, RV Park	Room	0.614	\$5,808.44
SRCV	111 Resort - Cottages, Villas	Connection	1.229	\$11,616.89
STLC	104 Theaters, Libraries, Churches	Seat	0.012	\$116.17
SBDIN	105 Bar without dining facility	Seat	0.098	\$929.35
SCWNR	107 Car Wash with Recycle	Bay	1.622	\$15,334.29
SDRTL	108 Department, Retail Stores	Restroom	0.197	\$1,858.70
SFTNS	112 Fitness Center / Beauty Salon	100 sq. ft.	0.098	\$929.35
SCWSH	113 Pmt Tour Jeep & Rntl Car Washing	vehicle	0.070	\$662.16
SMKT	115 Market	Connection	1.536	\$14,521.11
SMORT	116 Mortuaries	Connection	2.420	\$22,885.26
SOFF	117 Offices, Med Bldg., Mfg., Cntrctrs	100 sq. ft.	0.025	\$232.34
SRSHP	118 Repair Shops, Service Stations	Connection	0.774	\$7,318.64
SSCHG	121 School, College, w/ gym showers	Student	0.123	\$1,161.69
SSCHC	122 School, College w/ café	Student	0.160	\$1,510.20
SSCHNG	123 School, College w/o gym or café	Student	0.098	\$929.35

SPRST	124	Public Restroom	Fixture	1.229	\$11,616.89
SLMATE	125	Laundromat (efficiency)	Machine	0.725	\$6,853.96
SLMT18	126	Laundromat (12-18 lbs.)	Machine	0.934	\$8,828.83
ALMT27	127	Laundromat (25-35 lbs.)	Machine	1.302	\$12,313.90
ALMT29	128	Laundromat (50 lbs.)	Machine	1.904	\$18,006.17

Capacity Fee Billing Unit Alternatives

SRSTRT	120	Restaurant	100 sq.ft	0.363	\$3,436.00
PSS	2	Restaurant w/Patio Seats (seasonal)	100 sq. ft	0.182	\$1,718.00
New		Restaurant take-out (food prep area)	100 sq ft.	0.110	\$1,043.00
SBDIN	105	Bar w/out dining facility	100 sq ft.	0.134	\$1,267.00
SDRTL	108	Department, Retail Stores	100 sq ft.	0.022	\$203.00
SMRKT	115	Market	100 sq ft.	0.101	\$957.00
		Offices, Med Bldgs., Mfg.,			
SOFF	117	Contractors	100 sq ft.	0.046	\$439.00
SRSHP	118	Repair Shops, Service Stations	100 sq ft.	0.024	\$225.00
STLC	104	Theaters, Libraries, Churches	100 sq ft.	0.134	\$1,267.00
SHOTEL	110	Hotel, Motel, RV Park	Room	0.614	\$5,808.00
STLC	104	Theaters, Libraries, Churches	Bldg. Ocpnt Cpcty	0.012	\$116.00
SSCHG	121	School, College w/ gym showers	Stdnt & Stf bldg cpcty	0.123	\$1,162.00
SSCHC	122	School, College w/ café	Stdnt & Stf bldg cpcty	0.160	\$1,510.00
SSCHNG	123	School, College w/o gym or café	Stdnt & Stf bldg cpcty	0.098	\$929.00
SPRST	124	Public Restroom	Toilet & Urinal (ech)	1.229	\$11,617.00

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